

**A Resolution of the Common Council of the City of Evansville Confirming
the Declaration of an Economic Revitalization Area for Property Tax Phase-In
for the Construction of Real Property and the acquisition and installation of new
equipment**

**Mead Johnson & Company, LLC
(2404 W. Lloyd Expy, Evansville, IN)**

WHEREAS, Mead Johnson & Company, LLC (the "Applicant") has made application for Economic Revitalization Area designation, pursuant to IC 6-1.1-12.1 et seq and Evansville Common Council Resolution C-2002-3 As Amended (the "Tax Phase-In Resolution"), for the property located at: See Section 1; and

WHEREAS, heretofore under provisions of Resolution C-2002-3 As Amended, the Common Council of the City of Evansville found the above-described property to meet the requirements of an Economic Revitalization Area pursuant to IC 6-1.1-12.1 et seq and declared said property to be an Economic Revitalization Area; and

WHEREAS, notice of the adoption and substance of the above mentioned resolution has been published in accordance with IC 5-3-1 and the Common Council of the City of Evansville has conducted a public hearing as of the date hereof to determine whether the qualifications for an economic revitalization area have been met; and

NOW, THEREFORE, BE IT RESOLVED by the Common Council of the City of Evansville as follows:

Section 1. The property known as 2404 W. Lloyd Expy (Bldgs. 24, 31, 33, 33B & 33C, Evansville, IN and more particularly described as follows:

Parcel ID: 82-05-26-032-043.001-029
PT NE NE Lot 2 14.9 AC 26-6-11 (Bldgs. 24, 31, 33, 33B & 33C)

has been found to meet the qualifications for an economic revitalization area as outlined in IC 6-1.1-12.1.

Section 2. Resolution **C-2014-34** adopted by the Common Council on November 10, 2014, is hereby confirmed.

Section 3. The Statement of Benefits submitted by the Applicant and dated October 21, 2014, are hereby approved.

Section 4. This Resolution shall be in full force and effect from and after its passage by the Common Council, signing by the Mayor, and advertisement, if any, as required by law.

FILED

NOV 12 2014

Opwaa Windness
CITY CLERK

PASSED BY the Common Council of the City of Evansville, Indiana, on the 8th
day of December, 2014 on said day signed by the President
of the Common Council and attested by the City Clerk.



President of the Common Council, John Friend

ATTEST: Laura Windhorst
Laura Windhorst, City Clerk

Presented by me, the undersigned City Clerk of the City of Evansville, Indiana, to
the Mayor of said city, this 9th day of December, 2014, for
his consideration and action thereon.

Laura Windhorst
Laura Windhorst, City Clerk
City of Evansville, Indiana

Having examined the foregoing resolution, I do now, as Mayor of the City of
Evansville, Indiana, approve said resolution and return the same to the City Clerk
this 10th day of December, 2014.

Lloyd Winnecke
Lloyd Winnecke, Mayor
City of Evansville, Indiana

APPROVED AS TO FORM
BY TED ZIEMER, CORPORATION COUNSEL

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Attachment 1

Real and Personal Property Schedule

Parcel ID: 82-05-26-032-043.001-029

Resolution C-2014-36

Mead Johnson & Company, LLC

Tax Phase-In Schedule – Real Property

Real Property	
Year	Abatement
1	100%
2	95%
3	80%
4	65%
5	50%
6	40%
7	30%
8	20%
9	10%
10	5%
11	0%

Tax Phase-In Schedule – Personal Property

Personal Property	
Year	Abatement
1	100%
2	90%
3	80%
4	70%
5	60%
6	50%
7	40%
8	30%
9	20%
10	10%
11	0%

Report to Mayor and City Council | 2014



Council Meeting 11/17/2014

SUBJECT: The Growth Alliance has worked with Mead Johnson & Company, LLC on their current project to retrofit and replace underutilized manufacturing space and equipment.

The investments will be made over time between 2014 and 2017. This project will incorporate cutting edge technology and diversify existing production. This project will allow Mead Johnson & Company, LLC to more effectively utilize the buildings 24, 31, 33, 33B & 33C located at Mead Johnson's manufacturing facility in Evansville's urban core. During the first phase of the project 30 new permanent full-time positions with an average wage of \$29 an hour as well as 24 new contract employee positions will be created by 2015. With the completion of phase 2 of the project, expected in 2017, some of the permanent full-time positions will transition to other manufacturing lines within the Evansville facility and the new number of permanent full-time positions associated with this project, at project completion, will be 18 with 6 contract employee positions.

Reasons to provide tax abatement:

- Strength of the Company and the History with the City of Evansville
- Strength of wages paid
- Investment in the Community
- Good Corporate Citizen and Culture
- Use of Local Contractors
- International Firm
- Continuous improvement in manufacturing capabilities for continued viability at the Evansville facility

Mead Johnson will be making a \$17.4 million investment in Real Property and a \$17.6 million investment in Personal Property

Fiscal Impact: Total, positive, Economic Impact of this project for Evansville is:

\$164,094,195 over the next 10 years; or, over \$16.4 million/year.

Recommendation: A standard 10-year tax abatement (100% - Year 1; 95% - Year 2; 80% - Year 3; 65% - Year 4; 50% - Year 5, 40% - Year 6, 30% - Year 7, 20% - Year 8, 10% - Year 9, 5% - Year 10, and 0% - Year 11) for real property would provide a direct impact of **\$2,559,300**. A standard 10-year tax abatement (100% - Year 1; 90% - Year 2; 80% - Year 3; 70% - Year 4; 60% - Year 5, 50% - Year 6, 40% - Year 7, 30% - Year 8, 20% - Year 9, 10% - Year 10, and 0% - Year 11) for personal property would provide a direct impact of **\$969,894**.

The total value to Mead Johnson Company, LLC would be approximately \$3,529,194 and the project would generate a positive, Economic Impact of over \$16.4 million per year for Evansville.

Report to Mayor and City Council | 2014

By providing a 10 year tax phase-in for the project at this time, we have the opportunity to work closely with Mead Johnson with the hope to capture additional jobs and investment by working closely with company representatives, utilizing their knowledge, their contacts and their extensive network in other areas of the country and internationally.

Additionally, we are recommending a grant of **\$10,000** for Training assistance; requires 50/50 match and applicable to Evansville residents hired over the first 2 years of project implementation.

Attachments:

Confirming Resolution C-2014-36

Application for Economic Revitalization Area Designation

Scoring sheet for Real Property

Scoring sheet for Personal Property

For additional information contact:

Chris Kinnett, Business Development Director

Growth Alliance for Greater Evansville

812 492 4384 - <mailto:chris@growthallianceevv.com>

BOWERS HARRISON LLP

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(2) Also admitted in Illinois

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Lawyer by the Trust & Estate Specialty Board

** Registered Patent Attorney

WRITER'S PHONE: (812) 491-8222

June 16, 2014

Mr. Chris Kinnett
Growth Alliance
318 Main Street, Suite 500
Evansville, IN 47708-1478

RE: Mead Johnson & Company, LLC ("Mead Johnson") -- Project 32
Our Client No.: 13547.014

Dear Mr. Kinnett:

In response to your request, an amended application is enclosed.

The application now includes hourly average wage estimates on the second page. The twenty-nine dollar (\$29.00) per hour average for 2015 and 2016 and thirty dollar (\$30.00) per hour average for 2017 and 2018 are estimates of the average hourly wage for Mead Johnson and contract employees. These wages are estimates and subject to fluctuation based on the education and experience of the workforce secured for this project.

You have also asked about the ratio of manufacturing and management positions retained and created by this project.

During Phase I Mead Johnson estimates that there will be:

MJN Packaging	18
MJN Processing	6
MJN Maintenance	4
MJN Supervisor	2
Contract Warehouse Operations	8
Production Temps	16
	<hr/>
	54

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Upon completion of Phase II Mead Johnson estimates that there will be:

MJN Packaging	9
MJN Processing	6
MJN Maintenance	2
MJN Supervisor	1
Contract Warehouse Operations	4
Production Temps	2
<hr/>	
	24

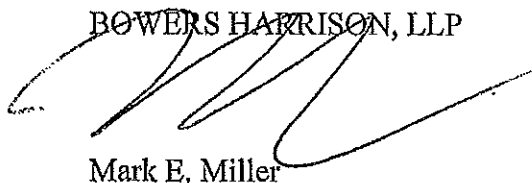
You are correct in noting the reduction in job numbers between 2016 and 2017. Once Phase II of the project is implemented, a smaller crew will be required for the project going forward due to the efficiency of the advanced technology. However, Mead Johnson is estimating that the full time employees added during Phase I will transition to other manufacturing lines within the Evansville facility. Please note Mead Johnson has submitted conservative estimates of capex and job positions retained and created for this project.

Finally, based on current work allocations for the existing production, Mead Johnson has estimated that there are two (2) positions at risk. If the project proceeds those two (2) positions will be retained. If the project does not proceed, those two (2) positions are at risk.

Please let us know if you have any additional questions.

Very truly yours,

BOWERS HARRISON, LLP



Mark E. Miller

MEM/sbf

Enclosures

cc: Mayor Lloyd Winnecke
Civic Center Complex
1 NW Martin Luther King Jr., Blvd.
Room 302
Evansville, IN 47708

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Application for Economic Revitalization Area Designation

General Information			
Name of Taxpayer Seeking Phase II	Mead Johnson & Company, LLC		
Street Address of Taxpayer	2400 West Lloyd Expressway		
City, State, Zip	Evansville, IN 47721		
Name of Authorized Representative	Dan Niemeler		
Street Address of Authorized Representative	2400 West Lloyd Expressway		
City, State, Zip	Evansville, IN 47721		
Phone and Fax	Phone: (812) 429-7575, Fax: (812) 647-8368		
Proposed Project Information			
Address of Property	2404 W. Lloyd Expy (Bldgs 24, 31, 33, 33B, & 33C)	Tax Code(s) for Property	82-05-26-032-043.001-029
Size of Property (sf)	52,000	NAICS Code	325410
City, State, Zip	Evansville, IN 47721	Current Zoning	Industrial, M-3
Township	Pigeon	TIF District	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Legal Description of Property	PT NE NE Lot 2 14.99 AC 26-6-11 (Buildings 24, 31, 33, 33B, & 33C).		
Provide a brief description of the applicant's business, including company history, products(s), facilities, sales and corporate growth, and corporate employment. Also discuss any applicable future growth, planned expansions, and/or corporate diversification, where applicable. (You may attach it as "Company Profile")			
See Exhibit A.			
Project Overview			
Provide a Detailed Description of the Proposed Project (including how the Subject Property will be used, physical changes made to the property)	Mead Johnson & Company, LLC will invest approximately \$35.0 million dollars into a project involving the replacement and retrofitting of under-utilized manufacturing equipment. The investments will be made over time between 2014 and 2017. This project will incorporate cutting edge technology and diversify existing production. This project will allow Mead Johnson & Company, LLC to more effectively utilize the buildings 24, 31, 33, 33B, & 33C located at its manufacturing facility in Evansville's urban core. During the first phase of the project 30 new full-time positions as well as 24 new contract employee positions will be created by 2015. By completion of phase 2 of the project in 2017, some of the full-time positions will transition to other manufacturing lines within the Evansville facility and the net number of new permanent full-time positions associated with the project at project completion will be 18 with 6 contract employee positions.		
*Will the Project Require Additional Municipal Services or Facilities?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
*If yes please state need.			

Update: Thursday, April 25, 2013

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Employment/Benefit Information

Project Cost Estimate

	Current Year	Year 1	Year 2	Year 3	Year 4	Year 5
Purchase of real estate and improvements						
Site preparation	\$0.1 million					
Demolition	\$0.2 million	\$0.2 million				
Construction of new structures		\$7.7 million	\$0.6 million			
Rehabilitation of existing structures						
Infrastructure improvements	\$0.5 million	\$2.3 million				
Architecture & engineering fees	\$2.0 million	\$3.5 million	\$0.4 million			
Development fees						
Total cost of manufacturing and research & development equipment - new to Indiana	\$4.6 million	\$13.0 million				
Total project cost for real estate component of project	\$2.8 million	\$13.7 million	\$0.9 million			
Has this new equipment ever been installed and in use elsewhere in the state of Indiana?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		Date new manufacturing/research & development equipment is to be installed?			2015, 2016, & 2017

Calendar Year	Number of Current Full-Time Permanent Employees at Project	Hourly/Average Wage W/O Fringe Benefits/Donuses	New Full-Time Permanent Employees at Project	Number of Part-Time Employees	
3 Years Ago	5	\$26			
2 Years Ago	4	\$27			
1 Year Ago	3	\$27			
Now (2014)	2	\$28			
2012-2015	32	\$29	30	24*	
2013-2016	32	\$29	30	24*	
2014-2017	20	\$30	18	6*	
2015-2018	20	\$30	18	6*	
If Tax Phase-In were not granted, how many current jobs would be lost or jeopardized? If any, please attach a supporting explanation (attach as "Potential Job Loss")		Two (2) jobs will be jeopardized.			
Identify the type(s) of work or position(s) of the new employees.	Packaging, Processing, Maintenance, Supervising, Distribution	Employees' Educational Requirements (Percentage of new hires)			
		High School Diploma	2 yr Degree/Certificate	4 yr Degree	>4 yr Degree
		80%	13%	7%	
Identify the company benefits offered to employees.	Health, Dental and Life Insurance and Prescription Drug Coverage 401K Savings Plan Holiday Pay and Vacation Time Flex Work Options and Tuition Reimbursement				
What is the value of these benefits (as a percentage of base pay)?	36%	Does the taxpayer have an affirmative action plan?		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	

Contribution of Company	
In what ways has the company contributed to the improvement of the neighborhood or surrounding area, or participated in community activities or programs?	See Exhibit B.
Is it your intent to use your best efforts to hire local contractors for the building and/or installation of equipment?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

*Please attach any additional information that you feel will assist in evaluating this request for property tax phase-in.



I understand that if tax phase-in is granted for this project, that the Applicant will be required to submit a "Compliance With Statement of Benefits" form annually; and

It is my further understanding that if the Applicant should fail to comply with its commitments in job creation, job retention, project investment and/or any other commitments associated with its tax phase-in application, that the designating body has the right, after conducting a public hearing, to terminate said tax phase-in deductions.

I hereby affirm and certify that the information and representations of fact made in this application are true and complete.

Signature: Daniel Mierum

Plant Manager
Title: Evansville Supply Center

Date: 06/16/2014 - AMENDED

For this application to be complete, it must be accompanied by a signed "Statement of Benefits" (State Form 27167) and a check for the appropriate application fee. The check should be made payable to the Growth Alliance for Greater Evansville (GAGE).

Application Fees:

Real Estate Improvements	\$500.00
New Manufacturing or Research & Development Equipment	\$250.00

Application Fee Submitted: \$750.00

Growth Alliance for Greater Evansville
812.401.4243
Email: Info@EvansvilleGAGE.com
www.EvansvilleGAGE.com

Update: Thursday, April 25, 2013

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EXHIBIT A

Company Profile

Mead Johnson & Company, LLC

Mead Johnson & Company, LLC (the "Applicant") is headquartered in Evansville, Indiana and is the entity that owns and operates all manufacturing, sales, marketing and distribution of Mead Johnson Nutrition products in the United States. It is a limited liability company whose sole member (owner) is Mead Johnson Nutrition Company.

Mead Johnson Nutrition Company, together with its subsidiaries in numerous countries around the world (collectively "Mead Johnson Nutrition"), is a global leader in pediatric nutrition and is committed to helping nourish the world's children for the best start in life. It maintains global supply chain and R&D headquarters in Evansville, Indiana. Mead Johnson Nutrition has manufacturing facilities in the United States, Mexico, the Netherlands, China, the Philippines, Thailand, Brazil, and Singapore. The Evansville manufacturing facility of the Applicant produces liquid and powder products for global markets. Mead Johnson Nutrition's leadership in nutrition can be traced back over a century to founder Edward Mead Johnson. In 1915, E. Mead Johnson moved his company from Jersey City, New Jersey, to an old cotton manufacturing plant overlooking the Ohio River. Mead Johnson Nutrition markets its portfolio of more than 70 products to mothers, health care professionals and retailers in more than 50 countries in North America, Europe, Asia and Latin America. Mead Johnson Nutrition employs approximately 7,200 people worldwide.

The Applicant produces a wide range of infant formulas, including, but not limited to, Enfamil Premium milk-based formula, Enfamil Prosobee soy formula, Nutramigen hydrolyzed protein formula, as well as other special needs formulas.

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EXHIBIT B

Mead Johnson & Company, LLC Community Organization Support

Mead Johnson & Company, LLC supports the following organizations through direct grants and/or volunteer opportunities for our employees:

- Early Childhood Development Coalition
- Ark Crisis Nursery
- March of Dimes of Southwest Indiana
- Indiana Easter Seals Rehabilitation Children's Center
- Patchwork Central
- Albion Fellows Bacon Center
- Indiana University- Student Scholarships for Evansville Center for Medical Education
- Evansville Philharmonic
- Deaconess Foundation
- St. Mary's Foundation
- Evansville Zoo & Botanical Gardens
- Leadership Evansville/Diversity Speaker Series
- Ivy Tech Foundation
- Keep Evansville Beautiful (Operation City Beautiful)
- Nature Conservancy ~ Support for environmental projects in SW Indiana
- Evansville African American Museum Foundation, Inc.
- Wesselman Park Nature Center
- Foundation for Ohio River Education ~ Annual River sweep
- EVV Better Business Bureau
- WEOA (Support for "Sowing Seeds of Empowerment" program, and Family Day in the Park)
- American Waterworks ~ Local request for global initiative

Further, Mead Johnson & Company, LLC Internal Employee Resource Groups support other organizations in the community such as the Tri-State Food Bank, Grace House, Evansville Rescue Mission, Girls In Science and Engineering Program at Tekoppel School, Boys and Girls Club, Junior Achievement, Habitat for Humanity and Evansville Christian Life Center.

Lastly, Mead Johnson & Company, LLC matches employee contributions to qualifying non-profit organizations (from \$25 USD up to \$5,000 USD annually).

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City of Evansville / Vanderburgh County Tax Phase-In Application Scoring

-Real Property-

Company Name:
Mead Johnson & Co.
Application Date:
06/14/2014

Points Granted

Investment- (5 points maximum)

Less than \$1 Million	1 point	
\$1 Million to \$5 Million	2 points	
\$5,000,001 to \$10 Million	3 points	
\$10,000,001 to \$15 Million	4 points	
\$15 Million +	5 points	5

Full-Time employment added or retained (based on project) in 5 years (5 points maximum)

5 to 20 employees	1point	
21 to 40 employees	2 points	
41 to 60 employees	3 points	
61 to 80 employees	4 points	
81 employees +	5 points	2

Wage level (5 points maximum)

Less Than Vanderburgh Co. average wage	1point	
≤ 5% Vanderburgh Co. average wage	2 points	
5%-10% Vanderburgh Co. average wage	3 points	
10% - 20% Vanderburgh Co. average wage	4 points	
≥ 20% Vanderburgh Co. average wage	5 points	5

The average county wage for 2012 is \$18.08/hr (\$36,606/year) for Vanderburgh County, as determined by the Indiana Department Workforce Development.

Benefits Package (Ins./Retirement/paid time off/tuition reimbursement) (5points maximum)

0% - 3%	1 point	
4% - 7%	2 points	
8% - 11%	3 points	
12% - 14%	4 points	
15% +	5 points	5

Value of benefits is equal to or greater than base pay.

Use reuse, rehabilitation and/or expansion of an existing facility. (2 points maximum)

2

Targeted Business (1 point maximum)

1

Percent of employment that requires at least a 2 yr degree or professional certificate (2 points maximum)

50%-75%	1 point	2
75%+	2 points	

Total Points: 22

Scoring

<u>Score</u>	<u>Max. Length of Deduction</u>
N/A	1 year
N/A	2 years
2-0	3 years
3-4	4 years
5-7	5 years
8-10	6 years
11-13	7 years
14-16	8 years
17-19	9 years
20+	10 years

Grand Total of Points: 22

Number of Years: 10

City of Evansville / Vanderburgh County Tax Phase-In Application Scoring

-Personal Property-

Company Name:
Mead Johnson & Company

Application Date:
06/14/2014

		Points Granted
Investment- (5 points maximum)		
< \$1 Million	1 point	
\$1 Million to \$5 Million	2 points	
\$5,000,001 to \$10 Million	3 points	
\$10,000,001 to \$20 Million	4 points	
\$20 Million +	5 points	4
Full-Time employment added or retained (based on project) in 5 years (5 points maximum)		
5 to 20 employees	1 point	
21 to 40 employees	2 points	
41 to 60 employees	3 points	
61 to 80 employees	4 points	
81 employees +	5 points	2
Wage level (5 points maximum)		
Less Than Vanderburgh Co. average wage	1 point	
≤ 5% Vanderburgh Co. average wage	2 points	
5%-10% Vanderburgh Co. average wage	3 points	
10% - 20% Vanderburgh Co. average wage	4 points	
≥ 20% Vanderburgh Co. average wage	5 points	5
<i>The average county wage for 2012 is \$18.08/hr (\$36,606/year) for Vanderburgh County, as determined by the Indiana Department Workforce Development.</i>		
Benefits Package (Ins./Retirement/paid time off/tuition reimbursement) (5 points maximum)		
0% - 3%	1 point	
4% - 7%	2 points	
8% - 11%	3 points	
12% - 14%	4 points	
15% +	5 points	5
Value of benefits is equal to or greater than 15% of base pay.		
Use reuse, rehabilitation and/or expansion of an existing facility. (2 points maximum)		
		2
Targeted Business (1 point maximum)		
		1
Percent of employment that requires at least a 2 yr degree or professional certificate (2 points maximum)		
50%-75%	1 point	
75%+	2 points	2

Total Points: 21

Scoring

Score

N/A

N/A

2-0

3-4

5-7

8-10

11-13

14-16

17-19

20+

Max. Length of Deduction

1 year

2 years

3 years

4 years

5 years

6 years

7 years

8 years

9 years

10 years

Grand Total of Points: 21

Number of Years: 10